D.A.R.T. FUND

Annual Financial Statements and Auditors' Report June 30, 2008

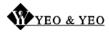
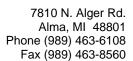


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Independent Auditors' Report

Honorable Mayor and Members of the City Commission City of Alma Alma, Michigan

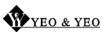
We have audited the accompanying financial statements of the D.A.R.T. Proprietary Fund of the City of Alma as of and for the year ended June 30, 2008, which collectively comprise the D.A.R.T. Fund's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Alma's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1, the financial statements present only the D.A.R.T. Proprietary Fund and do not present fairly the financial position of the City of Alma as of June 30, 2008 and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the D.A.R.T. Fund of Alma as of June 30, 2008 and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2008 on our consideration of the D.A.R.T. Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.



Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the D.A.R.T. Fund's basic financial statements. The accompanying supplementary schedules listed in the table of contents are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for those schedules marked unaudited, on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

December 29, 2008

Yeo & Yeo, P.C.

Alma, Michigan

Statement of Net Assets

Year Ended June 30, 2008

		Dial-A-Ride
Assets		
Current assets		
Cash and cash equivalents	\$	149,663
Investments		920,361
Receivables		
Taxes		665
Customers		4,470
Accrued interest and other		21,021
Due from other units of government		22,772
Total current assets	_	1,118,952
Noncurrent assets		
Capital assets, net		574,867
Total assets	_	1,693,819
Liabilities		
Current liabilities		
Accounts payable		45,302
Accrued and other liabilities		7,297
Due to other units of government		58,732
Current portion of noncurrent liabilities		17,706
Total current liabilities		129,037
Noncurrent liabilities		
Compensated absences payable	_	8,400
Total liabilities	_	137,437
Net Assets		
Invested in capital assets, net of related debt		574,867
Unrestricted		981,515
Total net assets	\$	1,556,382



Dial-A-Ride Fund

Statement of revenues, expenses and change in net assets Year Ended June 30, 2008

	Dial-A-Ride
Operating revenue Customer fees	\$ 57,969
Operating expenses	
Operating expenses	<u>583,985</u>
Operating loss	(526,016)
Nonoperating revenue	
Property taxes	148,276
Federal grants	108,345
State grants	214,861
Interest income	55,743
Other	10,792
Total nonoperating revenues	538,017
Change in net assets	12,001
Net assets - beginning of year	1,544,381
Net assets - end of year	<u>\$ 1,556,382</u>

City of Alma Dial-A-Ride Fund **Statement of Cash Flows** Year Ended June 30, 2008

	Dial-A-Ride
Cash flows from operating activities Receipts from customers Payments to suppliers Payments to employees Payments for interfund services used Other payments	\$ 52,971 (35,361) (385,746) (24,043) (27,790)
Net cash used by operating activities	(419,969)
Cash flows from noncapital financing activities Service charges from outside customers Distribution of MMRMA net assets Property taxes Subsidies from other governments	5,339 5,453 148,463 321,273
Net cash provided by noncapital financing activities	480,528
Cash flows from capital and related financing activities Loss on sale of capital assets Proceeds from sale of capital assets Purchases/construction of capital assets	9,273 6,000 (46,334)
Net cash used by capital and related financing activities	(31,061)
Cash flows from investing activities Purchases of investments Interest received	(177,508) 54,880
Net cash provided by investing activities	(122,628)
Net increase in cash and cash equivalents	(93,130)
Cash and cash equivalents - beginning of year	242,793
Cash and cash equivalents - end of year	\$ 149,663

City of Alma Dial-A-Ride Fund Statement of Cash Flows Year Ended June 30, 2008

Reconciliation of operating income (loss) to net cash provided (used) by operating activities Operating loss (526,016) \$ Adjustments to reconcile operating income to net cash from operating activities Depreciation and amortization expense 69,500 Changes in assets and liabilities Receivables (net) (4,998)41,545 Accounts payable Net cash used by operating activities (419,969)



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Alma D.A.R.T. Fund (the "Fund") was organized under the Home Rule Act, Public Act 279 of 1965. It has the capability and the authority to provide public transportation to the general public in the City of Alma. This fund represents only a portion of the financial activity of the City of Alma (the "City") and thus the financial statements are not intended to present fairly the financial position, changes in financial position and cash flows of the City of Alma in conformity with generally accepted accounting principles.

Reporting entity

The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board (GASB) for the various governmental organizations to be included in the reporting entity. The City of Alma is the primary government which has the oversight responsibility and control over all activities related to the D.A.R.T. Fund. The Fund receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Fund is included in the City of Alma's "reporting entity" as defined by GASB since the City has oversight responsibilities over the Fund. The Fund is included in the City of Alma financial statements as an Enterprise Fund.

The accounting policies of the City of Alma's D.A.R.T. Fund conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant policies.

Measurement focus, basis of accounting, and financial statement presentation

The D.A.R.T. Fund financial statements are reported using the *economic* resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the D.A.R.T. Fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the D.A.R.T. Fund are charges to customers for services. Operating expenses for the D.A.R.T. Fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.



Assets, liabilities, and net assets or equity

Deposits – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Certificate of deposits are stated at cost which approximates fair value.

Capital assets – Capital assets, which include property, plant and equipment, are reported in the statement of net assets. Capital assets are defined by the government as assets with an initial individual cost of more than \$1,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed.

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the government values these capital assets at the estimated fair value of the item at the date of its donation.

Property, plant and equipment are depreciated using the straight-line method over the following useful lives:

Building improvements	10 to 40 years
Vehicles	3 to 10 years
Machinery and equipment	5 to 20 years
Office equipment	5 to 20 years

Compensated absences – It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The city allows employees to accumulate unused sick leave to a maximum 720 hours. Sick leave is paid only upon illness while in the employment of the City. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when

employees separate from service with the government.

All vacation pay is accrued when incurred in the Fund financial statements. Earned vacation time is required to be used within two years of accrual with a maximum of 120 hours of carryover. Earned vacation time is paid upon termination. The liability for accrued vacation leave has been recorded as current and noncurrent liabilities.

Comparative data

Comparative data is not included in the D.A.R.T. Fund's financial statements.

NOTE 2 - DEPOSITS

The D.A.R.T. Fund operates a common checking account with the City of Alma. Surplus funds are invested throughout the year. The City of Alma allocates interest earnings to the participating funds in relation to the average cash balance of each fund.

The breakdown between deposits is as follows:

Bank deposits (checking and savings accounts, money markets and certificates of deposit) \$149,403

Petty cash and cash on hand 260 \$149,663

Interest rate risk – The government does not have a formal investment policy to manage its exposure to fair value losses from changes in interest rates



Credit risk — State statutes and the government's investment policy authorize the government to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other obligations of the United States, or any agency or instrumentality of the United States. United States government or federal agency obligations; repurchase agreements; bankers acceptance of United States Banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or any of its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

Concentration of credit risk – The government has no policy that would limit the amount that may be issued in any one issuer.

Custodial credit risk - deposits - In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The government does not have a policy for custodial credit risk. As of year end, the amount that was exposed to custodial credit risk because it was uninsured and uncollateralized is undeterminable as a result of pooling deposits with the City.



NOTE 3 - CAPITAL ASSETS

The total amount of depreciation is an ineligible expense as the assets were either purchased with grant money, or the useful life of the assets were not approved by BPT. Capital assets activity of the D.A.R.T. Fund for the current year was as follows:

	eginning Balance	In	creases	De	ecreases	Ending Balance
General Fixed Assets Capital assets not being depreciated						
Construction in progress	\$ 190,788	\$	44,316	\$	-	\$ 235,104
Capital assets being depreciated						
Buildings, additions and improvements	89,327		-		-	89,327
Machinery and equipment	72,141		2,018		-	74,159
Vehicles	631,173		-		62,069	569,104
Total capital assets being depreciated	 792,641		2,018		62,069	 732,590
Less accumulated depreciation for						
Buildings, additions and improvements	16,484		4,493		-	20,977
Machinery and equipment	46,328		4,480		9,705	41,103
Vehicles	 307,311		60,527		37,091	330,747
Total accumulated depreciation	370,123		69,500		46,796	392,827
Net capital assets being depreciated	422,518		(67,482)		15,273	339,763
General capital assets, net	\$ 613,306	\$	(23,166)	\$	15,273	\$ 574,867



NOTE 4 - LEASES

Operating Leases

The Fund leases a building under an agreement with the City under a noncancelable operating lease. Total costs for such leases were \$2,100 for the year ending June 30, 2008.

NOTE 5 - RISK MANAGEMENT

The government is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Fund participates through the City of Alma in the Michigan Municipal Risk Management Authority (MMRMA), a public entity risk pool for cities, counties, authorities, colleges and other local units of government.

NOTE 6 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS

Defined benefit pension plan

Plan description – The D.A.R.T. Fund participates in the Michigan Municipal Employees' Retirement System (MERS), an agent multiple-employer defined benefit pension plan that covers all employees of the government. The system provides retirement, disability and death benefits to plan members and their beneficiaries. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to MERS at 447 N. Canal Rd., Lansing, Michigan 48917.

Additional information related to the pension plan can be obtained from the City of Alma's Comprehensive Annual Financial Report, which may be obtained from the Finance Department of the City of Alma.

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 6, D.A.R.T. Fund employees are eligible to receive benefits under the City of Alma's post employment health care plan for eligible retirees and their dependents. Participating retirees are required to pay a set premium for their portion of the costs. The costs for participation in this program were immaterial for the year ended June 30, 2008.

NOTE 8 - COMMISSIONS

Commissions are earned from the sale of tickets for Indian Trails, Inc. Commissions earned for the year ending June 30, 2008 were \$1,549. This Intercity Ticket Sales revenue falls under Auxiliary Transportation Revenue 40620. An employee's time is an eligible expense under 50102 Other Salaries and Wages. The revenue earned does not need to be backed out as ineligible.

NOTE 9 - NON FINANCIAL DATA

The methodology used for compiling mileage is an adequate and reliable method for recording vehicle mileage.

NOTE 10 - COST ALLOCATION PLANS

The following cost allocation plans were adhered to in the preparation of the financial statements: Rent-Wages, Charter, Administrative Costs, and Insurance Costs.



City of Alma Dial-A-Ride Fund Schedule 1 - Local Revenues Year Ended June 30, 2008

On exeting values	July 1, 2007 to Sept. 30, 2007	Oct. 1, 2007 to June 30, 2008	<u>Total</u>
Operating revenues Customer fares and ticket sales Advertising	\$ 15,033 	\$ 42,607 329	\$ 57,640 329
Total operating revenues	15,033	42,936	57,969
Nonoperating revenues			
Tax levy	137,455	10,821	148,276
Interest income	19,672	36,071	55,743
Other		10,792	10,792
Total nonoperating revenue	157,127	57,684	214,811
Total local revenue	\$ 172,160	\$ 100,620	\$ 272,780

Dial-A-Ride Fund

Schedule 1A - Local Revenues

Based on a September 30, 2007 Year End

Operating revenues	, 2006 to 30, 2007	July 1, 2007 to September 30, 2007	<u>Total</u>
Operating revenues Customer fares and ticket sales Advertising	\$ 50,009 1,571	\$ 15,033 -	\$ 65,042 1,571
Total operating revenues	 51,580	15,033	 66,613
Nonoperating revenues			
Tax levy	12,208	137,455	149,663
Interest income	46,802	19,672	66,474
Commissions - Indian Trails	 2,038		 2,038
Total nonoperating revenue	 61,048	157,127	 218,175
Total local revenue	\$ 112,628	\$ 172,160	\$ 284,788

Dial-A-Ride Fund

Schedule 2 - Federal and State Awards Year Ended June 30, 2008

Federal and State Grantor/Pass-through Grantor/Program Title	Federal Pass-Through CFDA Grantor's <u>Number</u> <u>Number</u>	Program Award <u>Amount</u> Expendit	ures
Federal U.S. Department of Transportation			
Operating-Assistance - Section 5311	20.509	\$ 107,812 \$ 107,	,812
Rural Transit Assistance Program (RTAP)	N/A	533	533
Total Federal Awards		108,345108,	,345
State			
Michigan Department of Transportation Operating Assistance - Act 51		214,861214,	<u>,861</u>
Total Federal and State Awards		<u>\$ 323,206</u> <u>\$ 323,</u>	,206

Schedule 2A - Federal and State Awards Year Ended June 30, 2008

Federal		Oct. 1, 2007 to June 30, 2008	<u>Total</u>
U.S. Department of Transportation Operating-Assistance - Section 5311 RTAP	\$ 28,646 315	\$ 79,166 \$ 218	5 107,812 533
Total Federal Awards	28,961	79,384	108,345
State <u>Michigan Department of Transportation</u> Operating Assistance - Act 51	<u>52,025</u>	<u> 162,836</u> _	214,86 <u>1</u>
Total Federal and State Awards	\$ 80,986	\$ 242,220 \$	323,206

Dial-A-Ride Fund

Schedule 2B - Federal and State Awards Based on a September 30, 2007 Year End

	Oct. 1, 2006 to June 30, 2007	July 1, 2007 to September 30, 2007	<u>Total</u>
Federal U.S. Department of Transportation			
Operating-Assistance - Section 5311 RTAP	\$ 20,411 630	\$ 28,646 315	\$ 49,057 945
Total Federal Awards	21,041	28,961	50,002
State			
Michigan Department of Transportation Operating Assistance - Act 51	146,683	52,025	198,708
Total Federal and State Awards	<u>\$ 167,724</u>	\$ 80,986	\$ 248,710

Schedule 3 - Operating and Contract Expenses Year Ended June 30, 2008

		<u>Nonurban</u>			
	<u>Operations</u>	Maintenance	General <u>Administrative</u>	Total <u>System</u>	
Operating Expenses					
Labor					
Operator's wages and salaries	\$ 175,709	\$ -	\$ -	\$ 175,709	
Other wages and salaries	-	23,281	65,134	88,415	
Dispatcher	53,706	-	-	53,706	
Fringe benefits	46,748	3,253	9,256	59,257	
Pension	5,850	594	1,661	8,105	
Services	88	2,961	23,246	26,295	
Materials and supplies consumed					
Fuel and lubricants	40,770	-	-	40,770	
Tires and tubes	2,140	-	-	2,140	
Other materials and supplies	6,507	15,820	5,883	28,210	
Utilities	7,890	-	128	8,018	
Casualty and liability costs					
Premiums for public liability					
and property damage insurance	7,880	-	404	8,284	
Miscellaneous	2,671	400	10,343	13,414	
Leases and rentals	1,574	63	525	2,162	
Depreciation	69,500			69,500	
Total operating expenses	\$ 421,033	\$ 46,372	\$ 116,580	\$ 583,985	

Schedule 3A - Operating Expenses Split Between a June 30 and September 30 Year End For the Year Ended June 30, 2008

	7/1/07 to 9/30/2007		10/1/07 to 6/30/2008		<u>Total</u>
Labor	\$	80,481	\$	237,349	\$ 317,830
Fringe benefits		12,668		46,589	59,257
Pension		2,052		6,053	8,105
Professional services		5,579		20,716	26,295
Material and supplies		12,461		58,659	71,120
Utilities		2,071		5,947	8,018
Insurance		6,005		2,279	8,284
Other expenses		9,284		4,130	13,414
Leases and rentals		525		1,637	2,162
Depreciation		18,849		50,651	 69,500
Total expenses	\$	149,975	\$	434,010	\$ 583,985

Schedule 3B - Operating Expenses by Program

Based on a September 30, 2007 Year End

	10/1/06		<u>Total</u>
Labor	\$ 242,6	92 \$ 80,481	\$ 323,173
Fringe benefits	50,5	63 12,668	63,231
Pension	6,1	89 2,052	8,241
Audit costs	4,4	10 -	4,410
Professional services	13,2	43 5,579	18,822
Material and supplies	51,3	67 12,461	63,828
Utilities	6,1	14 2,071	8,185
Insurance	1,4	30 6,005	7,435
Other expenses		9,284	9,284
Leases and rentals	1,5	75 525	2,100
Depreciation	64,6	62 <u>18,849</u>	83,511
Total expenses	\$ 442,2	<u>\$ 149,975</u>	\$ 592,220

Dial-A-Ride Fund

OAR Schedule 4R

Nonurban Regular Service Revenue Report

For the Year Ended September 30, 2007

<u>Code</u>	<u>!</u>	<u>Description</u>	<u>Amount</u>
401 40100 40200	Farebox revenue Passenger fares Contract fares	\$	53,999 8,469
406 40615 40620	Auxiliary trans revenue Advertising Intercity ticket sales		1,571 1,549
407 40799	Non trans revenue Other non trans revenue		3,063
408 40800	Local revenue Taxes levied directly for/by transit agency		149,663
411 41101	State formula and contracts State operating assistance		198,708
413 41301 41398	Federal contracts Federal operating assistance RTAP		49,057 945
414 41400	Other revenue Interest income	_	66,474
	Total revenues	<u>\$</u>	533,498



OAR Schedule 4E

Nonurban Regular Service Expense Report

For the Year Ended September 30, 2007

<u>Code</u>	<u>Description</u>	<u>Operations</u>	Maintenance	Administration	<u>Total</u>
501 50101 50102	Labor Operators salaries & wages Other salaries & wages	\$ 180,139	\$ - 24,815	\$ - 58,007	\$ 180,139 82,822
50103	Dispatchers' salaries & wages	60,212	-	-	60,212
502 50200	Fringe benefits Other fringe benefits	53,147	6,110	12,215	71,472
503	Services				
50305	Audit costs	-	_	4,410	4,410
50399	Other services	1,110	2,110	15,602	18,822
504	Materials and supplies				
50401	Fuel & lubricants	30,801	-	-	30,801
50402	Tires & tubes	3,834	-	-	3,834
50499	Other materials & supplies	4,987	15,148	9,058	29,193
505	Utilities				
50500	Utilities	8,059	-	126	8,185
506	Insurance				
50603	Liability insurance	-	-	545	545
50699	Other insurance	6,890	-	-	6,890
509	Miscellaneous expenses				
50902	Travel, meetings & training	411	-	435	846
50903	Association dues & subscriptions	650	-	-	650
50999	Other miscellaneous expenses	1,437	-	8,451	9,888
513	Depreciation				
51300	Depreciation	83,511			83,511
	Total expense	\$ 435,188	\$ 48,183	\$ 108,849	\$ 592,220



Dial-A-Ride Fund

Schedule 5 - Operating Assistance Calculation

Year Ended June 30, 2008

	Federal Section 5311					ing Assistance Oct. 1, 2007 to		
	July 1, 2007 to Oct. 1, 2007 to Sept. 30, 2007 June 30, 2008		July 1, 2007 to Sept. 30, 2007			1, 2007 to = 30, 2008		
Expenses	Оер	50, 2001	Jul	10 00, 2000	<u>06</u> p	1. 50, 2001	June	, 00, <u>2000</u>
Labor	\$	80,481	\$	237,349	\$	80,481	\$	237,349
Fringe benefits		14,720		52,642		14,720		52,642
Services		5,579		20,716		5,579		20,716
Materials and supplies		12,461		58,659		12,461		58,659
Utilities		2,071		5,947		2,071		5,947
Casualty and liability costs		6,005		2,279		6,005		2,279
Lease and rentals		525		1,637		525		1,637
Miscellaneous		9,284		4,130		9,284		4,130
Depreciation		18,849		50,651		18,849		50,651
Total expenses		149,975		434,010		149,975		434,010
	-							
Less ineligible expenses								
Depreciation		18,849		50,651		18,849		50,651
Loss on sale of vehicle		9,273		-		9,273		-
RTAP grant expenses		-		533				533
Total ineligible expenses		28,122		51,184		28,122		51,184
Net expenses		121,853		382,826		121,853		382,826
Eligible under Federal Section 5311	\$	121,853	\$	382,826				
Eligible under State Operating grants					\$	121,853	\$	382,826
Maximum Section 5311 reimbursement FY 07 (17.0%)	\$	20,715						
FY 08 (16.0%)	<u>·</u>	,	\$	61,252				
Maximum state operating assistance								
FY 07 (38.62%)					\$	47.061		
FY 08 (36.15%)							\$	138,395



Dial-A-Ride Fund

Schedule 5B - Schedule of Ineligible Expenses Year Ended June 30, 2008

Urban Mass	<u>Program</u> <u>Finding</u>	Federal Section 5311 and per OMB Circular A-87	State Operating Assistance per Revenue and Expense Manual
Transporation Administration			
Operating Grants:	Depreciation: depreciation accured on contributed capital must be deducted as an ineligible expense. \$	69,500	\$ 69,500
	Loss on sale of capital asset: loss on sale of capital asset must be deducted as an ineligible expense.	9,273	9,273
	Reimbursement: conference expense that was reimbursed by the Dept. of Transportation has been deducted as ineligible	533	533
	<u>\$</u>	79,306	\$ 79,306

City of Alma Dial-A-Ride Fund Schedule 6 - Comments and Recommendations For the Year Ended June 30, 2008

STATUTORY COMPLIANCE

Our review of procedures for compliance with statutory requirements disclosed the items noted in our letter to management and the governing board dated December 29, 2008.



Dial-A-Ride Fund

Schedule of Mileage Data (Unaudited)

Year Ended June 30, 2008

Demand - Response	
First quarter	16,910
Second quarter	20,992
Third quarter	23,733
Fourth quarter	22,618
Total mileage	84,253

Dial-A-Ride Fund

Schedule of Expenses by Contract and General Operations Year Ended June 30, 2008

	RTAP	Or	<u>perations</u>
Labor	\$ -	\$	317,830
Fringe benefits	-		67,362
Services	-		26,295
Materials and supplies	533		70,587
Utilities	-		8,018
Casualty and liability costs	-		8,284
Lease and rentals	-		2,162
Miscellaneous	-		13,414
Depreciation	 		69,500
Total	533		583,452
Less: ineligible expenses	 533		78,773
Total eligible expenses	\$ _	\$	504,679